

# TOWNSHIP BULLETIN

AND UNIFORM COMPLIANCE GUIDELINES

ISSUED BY STATE BOARD OF ACCOUNTS

---

Volume 314

September 2016

## ITEMS TO REMEMBER

### September

- 1 Prove all ledgers for the prior month  
  
Last day for Townships to submit proposed 2017 budgets, tax rates, and tax levies to county fiscal body or other appropriate body for review and recommendation [IC 6-1.1-17-3.5, 20, 20.3]
- 5 Labor Day – Legal Holiday [IC 1-1-9-1]
- 21 State Board of Accounts called meeting [IC 5-11-14-1]
- 30 All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. [IC 5-13-6-1]

### October

- 1 Prove all ledgers for the prior month
- 10 Columbus Day – Legal Holiday [IC 1-1-9-1]
- 11 Last day to post notice to taxpayers of proposed 2017 budgets and tax levies and public hearing (Budget Form 3) to Gateway. (Notice must be posted at least 10 days before the public hearing, which must occur at least 10 days before the adoption.) [IC 6-1.1-17-3]
- 22 Last possible day for Townships to hold a public hearing on their 2017 budgets. Public hearing must be held at least 10 days before budget is adopted. [IC 6-1.1-17-5]
- 31 IRS Form 941 (Employer's Quarterly Federal Tax Return) due  
  
All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. [IC 5-13-6-1]

### November

- 1 Prove all ledgers for the prior month  
  
Deadline for all Townships to adopt 2017 budgets, tax rates, and tax levies. [IC 6-1.1-17-5(a)]

TOWNSHIP BULLETIN  
And Uniform Compliance Guidelines

---

Volume 314, Page 2

September 2016

- 3 Last day for Townships to submit their 2017 budgets, tax rates, and tax levies to the DLGF through Gateway
- 8 Election Day – Legal Holiday [IC 1-1-9-1]
- 11 Veterans Day – Legal Holiday [IC 1-1-9-1]
- 24 Thanksgiving Day – Legal Holiday [IC 1-1-9-1]
- 31 All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. [IC 5-13-6-1]

**December**

- 1 Prove all ledgers for the prior month  
  
Last day for the Trustee to certify to the County Treasurer a list of names and addresses of each person who has money due to them from the Township [IC 6-1.1-22-14]
- 16 Last day the DLGF will accept additional appropriation requests for the 2016 budget year
- 25 Christmas Day – Legal Holiday [IC 1-1-9-1]
- 31 Last day for each elected officer to certify that they did not violate IC 36-1-20.2 [IC 36-1-20.2-16]  
  
Last day for each elected officer to certify that they did not violate IC 36-1-21 [IC 36-1-21-6]  
  
All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. [IC 5-13-6-1]

### **STATE BOARD OF ACCOUNTS CALLED MEETING - 2016**

The SBOA has called a meeting of all Township Trustees in accordance with IC 5-11-14-1. This meeting will be held on September 21, 2016, in conjunction with the Indiana Township Association Annual Meeting (September 18-21, 2016). The Indiana Township Association is providing arrangements of the meeting at the Sheraton Indianapolis Hotel & Suites, Keystone at the Crossing. The meeting will begin at 9:00 am EST with registration beginning at 8:00 am. No pre-registration is required or available.

Many items pertaining to our examinations of Townships will be discussed at the meeting. We will also be providing training in accordance with IC 5-11-1-27(f) over Internal Controls. In addition, there will be a special group of SBOA Coordinators that will be available to answer questions and assist in fixing in-depth problems, such as reconciling. So feel free to come with questions and bring records that you are having trouble with.

### **STATE BOARD OF ACCOUNTS CALLED MEETING - 2017**

Starting in 2017, we are changing the way that we are calling a meeting of Township Trustees in accordance with IC 5-11-14-1. In 2017, we will have the following meetings from 9:00-4:00 local time with about an hour and fifteen minute break for lunch (more information and specific addresses will be forthcoming in the December Bulletin):

Wednesday, January 25, 2017 – Columbus  
Thursday, January 26, 2017 – Vincennes  
Monday, January 30, 2017 – Lafayette  
Tuesday, January 31, 2017 – Fort Wayne

## RAINY DAY FUND

We have received numerous questions about the Rainy Day Fund (RDF) in the recent weeks, so we wanted to clarify a few things.

IC 36-1-8-5.1(c) states: “The rainy day fund is subject to the same appropriation process as other funds that receive tax money.” So, if you have money in your RDF that you want to spend, you have to have an appropriation for that.

IC 36-1-8-5.1(g) states: “A county, city, or town may at any time, by ordinance or resolution, transfer to (1) its general fund; or (2) any other appropriated funds of the county, city, or town; money that has been deposited in the rainy day fund of the county, city, or town.” It is our position that since this statute specifically lists unit types, but omits Townships, that RDF funds can NOT be transferred from the RDF once they are in there.

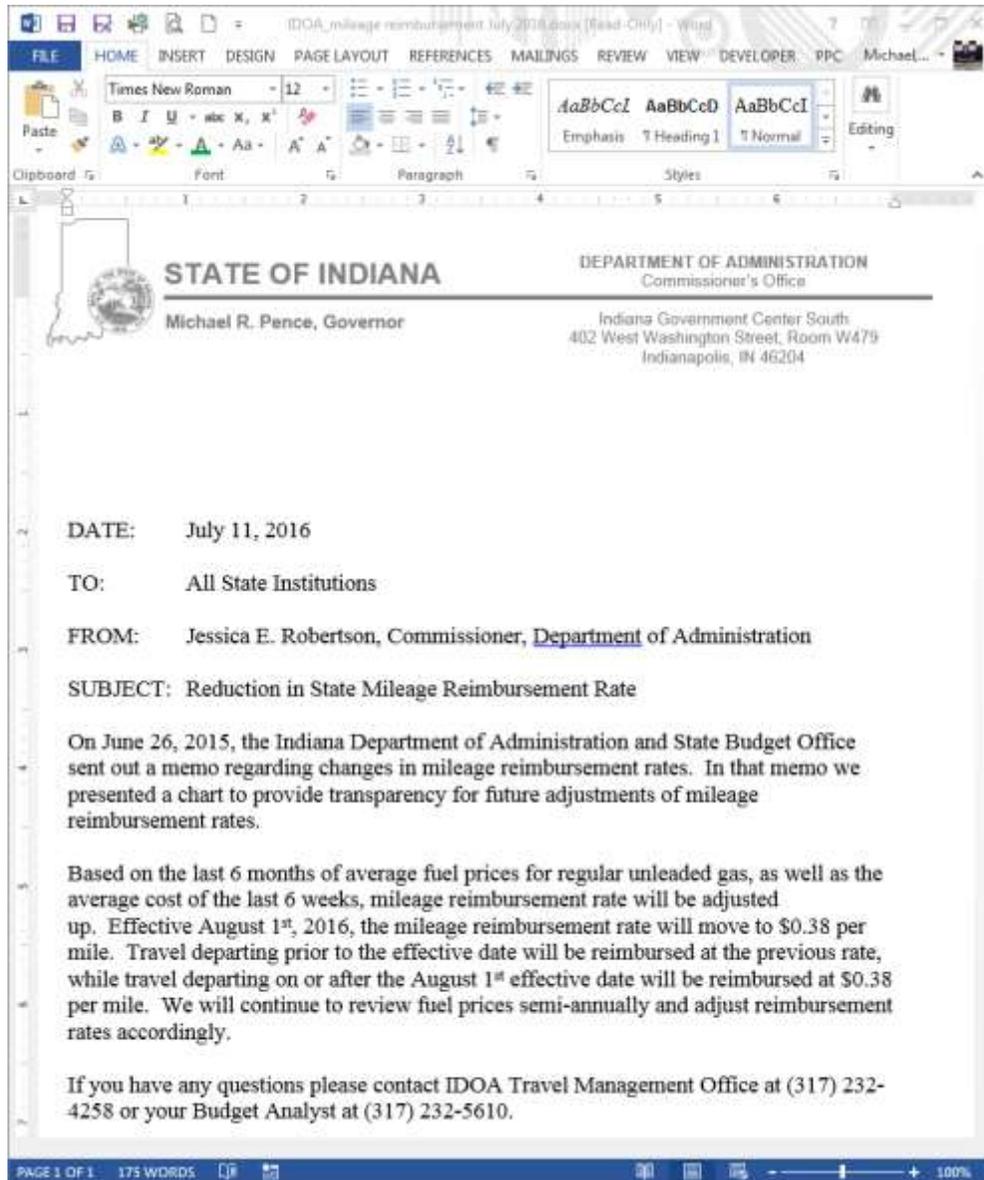
IC 36-1-8-5.1 states in part: “A political subdivision may establish a rainy day fund by the adoption of: ... (2) a resolution... (b)... a resolution adopted under this section must specify the following: (1) purposes of the rainy day fund...” It is our position that the RDF can be used for any appropriate and legal expenditures of the Township as long as the disbursements follow the purposes of the fund as set out in the resolution that set up the RDF.

In addition, see the Township Bulletin from December 2015 that discusses transfers to the RDF: [http://in.gov/sboa/files/tsb2015\\_311.pdf](http://in.gov/sboa/files/tsb2015_311.pdf).

## STATE MILEAGE REIMBURSEMENT RATE

IC 36-6-8-3(b) states: “The township executive is entitled to a sum for mileage in the performance of official duties equal to the sum per mile paid to state officers and employees. However, this subsection does not apply when the township executive uses a township vehicle in the performance of official duties.”

On July 11, 2016, the Department of Administration issued the following memo that changed the mileage reimbursement rate from \$.36 to \$.38 effective August 1, 2016.



If you have any questions, please contact IDOA Travel Management Office at (317) 232-4258.

## BOARD APPROVAL OF SALARIES

IC 36-6-6-10(b) states in part: “The township legislative body shall fix the: (1) salaries; (2) wages; (3) rates of hourly pay; and (4) remuneration other than statutory allowances; of all officers and employees of the township.” We suggest that this be done in conjunction with the board approval of the Township budget, however, just approving the budget is NOT sufficient to fulfill this statute. The board must fix the sales, wages, rates of pay, etc. of all officers and employees in a public meeting. This can be done through a resolution if the board so chooses. The Township Form 17, as described in Chapter 2 of the Township Manual [[http://in.gov/sboa/files/twp2010\\_002.pdf](http://in.gov/sboa/files/twp2010_002.pdf)] is an optional form that has been provided for this purpose. A sample of the Form 17 can be seen in the appendix [[http://in.gov/sboa/files/twp2010\\_a01.pdf](http://in.gov/sboa/files/twp2010_a01.pdf)] as well.

A couple of other statutes to keep in mind when completing this:

IC 36-6-6-10 states in part: “(c) Subject to subsection (d), the township legislative body may reduce the salary of an elected or appointed official. However, except as provided in subsection (h), the official is entitled to a salary that is not less than the salary fixed for the first year of the term of office that immediately preceded the current term of office.

(d) Except as provided in subsection (h), the township legislative body may not alter the salaries of elected or appointed officers during the fiscal year for which they are fixed, but it may add or eliminate any other position and change the salary of any other employee, if the necessary funds and appropriations are available.

(e) If a change in the mileage allowance paid to state officers and employees is established by July 1 of any year, that change shall be included in the compensation fixed for the township executive and assessor under this section, to take effect January 1 of the next year. However, the township legislative body may by ordinance provide for the change in the sum per mile to take effect before January 1 of the next year.

(f) The township legislative body may not reduce the salary of the township executive without the consent of the township executive during the term of office of the township executive as set forth in IC 36-6-4-2.

(g) This subsection applies when a township executive dies or resigns from office. The person filling the vacancy of the township executive shall receive at least the same salary the previous township executive received for the remainder of the unexpired term of office of the township executive (as set forth in IC 36-6-4-2), unless the person consents to a reduction in salary.

(h) In a year in which there is not an election of members to the township legislative body, the township legislative body may vote to reduce the salaries of the members of the township legislative body by any amount.”

### **FINANCIAL ASSISTANCE TO NON-GOVERNMENTAL ENTITIES**

Townships providing financial assistance to non-governmental entities are required to notify those entities annually in writing the following information:

- 1) The Entity Annual Report (E-1) filing requirement established by IC 5-11-1-4 and the audit requirement established by IC 5-11-1-9;
- 2) The source(s) of the funding provided;
  - a) Local and/or state funds (in the case of subsidies, contributions, or general aid),
  - b) Federal grants passed through including the formal name of the program and CFDA number, or
  - c) Fee for service arrangements,
- 3) The State Board of Accounts may request documentation to support the categorization of the financial assistance,
- 4) The E-1 is not to be confused with the Secretary of State's Business Entity report, and
- 5) The entity may obtain additional information from the State Board of Accounts at [notforprofit@sboa.in.gov](mailto:notforprofit@sboa.in.gov).

Furthermore, this financial assistance provided is to be reported by the Township on the Annual Financial Report via Gateway.

'Entity' is defined in IC 5-11-1-16 as "any provider of goods, services, or other benefits that is: (1) maintained in whole or in part at public expense; or (2) supported in whole or in part by appropriations or public funds or by taxation." This includes for-profit and not-for-profit corporations, unincorporated associations, organizations, individuals, etc. Examples of non-governmental entities are volunteer fire departments, a local YMCA, youth leagues, senior citizen centers, 4-H clubs, daycare centers, health service organizations, emergency medical service organizations, community centers, historical societies, etc.

Financial assistance to non-governmental entities is defined as payments received in the form of grants (whether from local, state, or federal sources), subsidies, contributions as permitted by statute, aid, or other agreements. For more information on what constitutes financial assistance, please refer to the State Board of Accounts' *Uniform Compliance Guidelines for Examinations of Entities Receiving Financial Assistance from Governmental Sources* found on the State Board of Accounts' website at [www.in.gov/sboa](http://www.in.gov/sboa) under Private Examiner Audits/Non-Governmental Entities Receiving Governmental Assistance/Uniform Compliance Guidelines.

Each non-governmental entity receiving financial assistance from governmental units is required to submit a Gateway financial report, the E-1, in accordance with IC 5-11-1-4(a). Information requested includes the source and use of financial assistance provided by governmental units. The entity is subject to a State Board of Accounts audit in accordance with IC 5-11-1-9 if certain funding thresholds are met.

---

As is always the case, please feel free to contact us with any questions that you have. You can email us at [Schools.Townships@sboa.in.gov](mailto:Schools.Townships@sboa.in.gov).

INDEX TO  
TOWNSHIP BULLETINS  
VOLUMES 275 TO 314  
(Symbol 312-2 Designates Volume 312, Page 2)

100R [Report of Names, Addresses, Duties, and Compensation of Public Employees].....	307-6
Access to Public Records .....	291-9
Accounting Systems.....	312-6
Affordable Care Act Penalties, Fines, or Tax.....	301-5
Advertising of Annual Report -vs- Budget.....	312-4
Annual Financial Report.....	307-7
Annual Reports .....	280-3
	283-5
Annual Report (Township Form 15) - Filing by Computer Disk .....	291-7
Appropriations - Insurance Claim Proceeds .....	282-3
Appropriation Refunds .....	282-3
Approval of Accounting Forms and Systems .....	304-3
Assessing Expense.....	278-4
Assignment of Wages .....	296-2
Attorney General Official Opinion 90-10 - Notarial Acts .....	290-3
Attorney General Official Opinion 91-5 - Cemeteries .....	293-2
Bond Issues - Audits .....	287-3
Board - Attorney .....	295-3
Board Approval of Salaries .....	314-6
Board of Finance and Depositories.....	299-5
Bonds of Officers and Employees of the Department of Parks and Recreation.....	287-3
Building or Remodeling and Fire Equipment Fund (Cumulative Fire) .....	275-6
Burial of Patients of State Psychiatric Institutions.....	282-6
Cash Balance -vs- Appropriation Balance .....	312-4
Capital Asset Records.....	299-5
Cancellation of Checks .....	301-4
Cellular Phones.....	283-4
Certification of Names and Addresses to County Treasurers.....	303-4
Compensatory Time - Fair Labor Standards Act .....	277-2
Computers and Internet Expenses .....	283-3
Contracting Policy .....	302-5
Data Collection Form .....	280-2
Data Processing Services by a Bank.....	275-7
Depositories .....	295-4
Designation of Trustee .....	307-4
Disposition of Old Outstanding Checks .....	293-4
Donations .....	293-3
Dormant Fund Balances - Transfers Authorized .....	282-6
Election Board and Jury Duty .....	284-3
Elected Officials - Leave Policy.....	301-3
Emergency Medical Services.....	287-5
Encumbered Appropriations.....	303-4

TOWNSHIP BULLETIN  
And Uniform Compliance Guidelines

Establishing Salaries of Township Offices and Employees .....	300-7
Establishing the Estimated Cost of Capital Assets .....	299-6
Examination of Trustee's Office .....	307-6
Federal Tax Deposits - Electronic Funds Transfer .....	275-7
Filing of Annual Report and Vouchers in County Auditor's Office .....	303-6
Financial Assistance to Non-Governmental Entities .....	314-7
Fire Protection Contracts with Volunteer Fire Departments .....	303-7
Fire Protection Territories.....	277-4
Food Stamp Distribution.....	286-3
Forms Prescribed by the State Board of Accounts.....	303-3
Frequent Comments Noted in Township Letters .....	305-2
GAO Independence Standard.....	300-9
Garnishment of Salaries and Wages .....	303-5
GASB Pension Reporting.....	305-4
Gateway Annual Report and 100R .....	300-8
Ghost Employment.....	300-6
Government Entities and Special Fuel Taxes.....	277-2
Group Insurance - Dependents of Employees.....	284-3
Guaranteed Energy Savings Contracts .....	293-5
Home Rule .....	284-4
IC 5-11-1-27(j).....	311-4
Indiana Department of Revenue - Electronic Filing; Withholding .....	291-9
Indiana Open Door Law .....	279-3
Internal Control Suggestions.....	300-5
Internal Control Timeline (IC 5-11-1-27) .....	312-5
Internal Controls.....	301-2
Internet .....	280-3
Issuing Duplicate Warrants .....	301-6
Lease Purchase Agreements.....	288-2
Leave of Absence - Officers and Employees who are Members of the Indiana National Guard or Reserves .....	282-4
Levy Excess Fund.....	297-2
Loans and Other Indebtedness.....	275-8
Local Government Public Records .....	308-2
Lucrative Offices - Dual Office Holding .....	298-5
Marion County Small Claims Court - SEA 523 .....	311-7
Materiality Threshold (IC 5-11-1-27(j) & (l) .....	312-7
Membership Dues in Organizations .....	304-2
Mileage.....	304-3
Nepotism and Contracting (PL 135-2012, HEA 1005).....	301-9
Nepotism and Contracting Certifications.....	302-3
Nepotism Policy .....	302-4
New Laws Affecting Townships (2007).....	277-5
New Laws Affecting Townships (2008).....	281-2
New Laws Affecting Townships (2009).....	285-5
New Laws Affecting Townships (2010).....	289-2
New Laws Affecting Townships (2011).....	293-8

TOWNSHIP BULLETIN  
And Uniform Compliance Guidelines

Volume 314, Page 10

September 2016

New Laws Affecting Townships (2012) .....	297-5
New Laws Affecting Townships (2013) .....	301-29
New Laws Affecting Townships (2014) .....	305-6
New Laws Affecting Townships (2015) .....	309-3
New Laws Affecting Townships (2016) .....	313-5
New Law Repeals 3% Contractor Withholding .....	295-4
Official Bonds .....	311-3
Optical Imaged Checks .....	284-4
Partition Fences .....	287-4
Payment by Public Employers of Group Health Insurance Premiums .....	299-7
Payment of Claims - Electronic Funds Transfer .....	301-6
Payment of Employees during Absence from Work on Account of Compensable Injury .....	284-2
Payment of Funds Due Deceased Person .....	286-5
Payments to Banks of Compensation Due Employees .....	290-4
Penalties and Interest - Ways to Avoid .....	288-3
Procedure in Emergency Appropriations .....	309-2
Property Tax Advances .....	279-3
Public Employee Retirement Fund (PERF) Contributions .....	291-6
Public Nature of Records and Meetings .....	290-4
Public Purchases .....	306-3
Public Records .....	300-2
Public Works Under \$150,000 .....	286-5
Public Works Versus Public Purchases .....	285-2
Purchase of Firefighting Apparatus and Equipment .....	285-3
Purchases of Computer Hardware and Software .....	306-3
Office and Telephone Expenses .....	288-2
Qualifying for Office - Oath .....	307-3
Qualifying for Office - Official Bonds .....	307-3
Rainy Day Fund .....	311-6
	314-4
Rates for Legal Advertising .....	307-9
Receiving Township Property and Records from Predecessor .....	291-5
Record of Hours Worked .....	303-4
Rent and, Other Utility Costs in the Home .....	283-4
Reporting Irregular Variances, Losses, Shortages or Thefts of Local Government Funds or Property	298-3
Reporting of All Funds on the Annual Financial Report .....	307-7
Request to Destroy Public Records .....	308-5
Resolution Establishing Salaries of Township Officials and Employees (Twp Form No. 17) .....	310-3
Sales Tax - Exemptions .....	293-3
Senate Enrolled Act 67 .....	313-4
Single Audit Act, A-133 .....	275-6
Social Security Withholdings .....	303-7
Special Purchases .....	292-2
Spreadsheet Software Utilization to Generate Exact Replicas of Prescribed Forms .....	298-4
State Examiner Directive 2016-1 .....	313-4
State Mileage Reimbursement Rate .....	310-4
	312-3

TOWNSHIP BULLETIN  
And Uniform Compliance Guidelines

	314-5
Supplemental Distributions of CAGIT and COIT .....	278-3
Supplemental Security Income (SSI) .....	287-3
Telephone and Internet Expenses .....	311-5
Temporary Loans .....	280-3
Transfers of Money from one Account to Another .....	282-3
Transition from Prior Trustee to Newly Elected Trustee .....	307-6
Travel Expense .....	307-8
Trustee Compensation .....	304-2
Vending Machine Commissions .....	276-2